

Message Text

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PAGE 01 LAGOS 05305 110754Z
ACTION AF-10

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FM AMEMBASSY LAGOS
TO USDOC WASHDC
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UNCLAS LAGOS 5305

E.O. 11652: NA
TAGS: EINV, NI
SUBJ: REPATRIATION OF PROFITS FROM NIGERIA

REF: USDOC 08623

1. PROFIT REPATRIATION IS THREE STEP PROCESS. FIRM MUST FIRST APPLY FOR APPROVED STATUS" FROM EXCHANGE CONTROL DEPARTMENT OF MINISTRY OF FINANCE. NOTE THAT APPROVED STATUS" DOES NOT GUARANTEE APPROVAL OF REPATRIATION BUT RATHER "SYMPATHETIC CONSIDERATION." "ACROVED STATUS" CAN BE REQUESTED AT SAME TIME AS APPLYING FOR PROPOSED INVESTMENT IN THE NIGERIAN COMPANY. SECOND, FIRM MUST HAVE A "TAX CLEARANCE CERTIFICATE" ISSUED BY THE FEDERAL BOARD OF INLAND REVENUE, A BRANCH OF MINFINANCE. RELEVANT CERTIFICATE INDICATES TAXES PAID FOR YEAR OF ASSESSMENT IMMEDIATELY PRECEDING THE PERIOD OF APPLICATION FOR PROFIT REPATRIATION. THIRD MINFINANCE MUST IVE FINAL APPROVAL.

2. UNABLE TO ESTIMATE ACCURATELY TIME INVOLVED IN EACH STEP WHICH IS IN HANDS OF THE ERATIC BUT USUALLY SLOW NIGERIAN BUREAUCRACY. WAITING PERIOD FOR TAX CLEARANCE CERTIFICATE RANGES FROM ONE TO SIX MONTHS OR MORE. NO SUBSTANTIVE EVIDENCE EXISTS OF DELIBERATE FMG DELAYING TACTICS. UNUSUAL DELAYS CITED BY SOME COMPANIES USUALLY CAUSED BY MISSING OR INACCURATE RECORDS AND LESS THAN HONEST TACTICS ON PART OF FIRMS, E.G.
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EXCEEDING DIVIDENT REPATRIATION LIMITS.

3. FMG POLICY RE PROFIT REPATRIATION UNCHANGED. ALTHOUGH FMG OBVIOUSLY PREFERS ALL PROFITS TO BE REINVESTED, 16 PERCENT PROFITS AFTER TAXES MAY BE REPATRIATED FREELY.
CROSBY

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NNN

Message Attributes

Automatic Decaptioning: X
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
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Disposition Reason:
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